

Message Text

CONFIDENTIAL

PAGE 01 PEKING 02072 01 OF 07 130613Z

14

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
----- 040570

O R 130430Z OCT 76

FM USLO PEKING

TO SECSTATE WASHDC IMMEDIATE 6557

AMCONSUL HONG KONG IMMEDIATE

INFO AMEMBASSY MOSCOW

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 1 OF 7 PEKING 2072

EXDIS

HONG KONG PLEASE PASS TO SENATOR MANSFIELD

E.O.11652: XGDS-3

TAGS: PFOR CH TW US OREP (MANSFIELD, MIKE)

SUBJECT: TRANSCRIPT OF MANSFIELD/GLENN TALK WITH VICE PREMIER

LI HSIEN-NIEN

REF: PEKING 2050

THIS IS AN UNCLEARED MEMORANDUM OF CONVERSATION.
SENATOR MANSFIELD DID NOT HAVE AN OPPORTUNITY TO SEE
IT BEFORE HE LEFT PEKING.

MEMORANDUM OF CONVERSATION

BETWEEN SENATOR MANSFIELD,
SENATOR GLENN, AND LI HSIEN-NIEN,
VICE PREMIER

OCTOBER 9, 1976 BETWEEN
3:50 P.M. AND 5:50 P.M.

ALSO PRESENT WERE:

MRS. MANSFIELD

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02072 01 OF 07 130613Z

MRS. GLENN

MR. AND MRS. DEAN

MR. FRANCIS R. VALEO, SECRETARY OF THE SENATE
MR. NORVILL JONES, CONSULTANT, SENATE COMMITTEE ON FOREIGN
RELATIONS
MR. CHARLES GELLNER, LIBRARY OF CONGRESS
MRSZ SALPEE SAHAGIAN, ADMINISTRATIVE ASSISTANT TO SENATOR MANSFIELD
MISS KATHERINE PROSSER, SECRETARY TO SENATOR GLENN
DR. THOMAS LOWE, PHYSICIAN
MR. VICTOR H. DIKEOS, DEPUTY ASSISTANT OF STATE

THE CHINESE SIDE INCLUDED:
WANG HAI-JUNG, VICE MINISTER OF FOREIGN AFFAIRS
CHOU PEI-YUAN, CHINESE ACADEMY OF SCIENCES
NANCY TANG, DEPUTY DIRECTOR, AMERICAN AND OCEANIAN DEPARTMENT,
MINISTRY OF FOREIGN AFFAIRS
MADAME KANG
MR. FAN, AND
OTHER MEMBERS OF THE CHINESE PEOPLES INSTITUTE OF FOREIGN AFFAIRS

MR LI: WELCOME TO YOU AND TO YOUR FRIENDS.

SENATOR MANSFIELD: THANK YOU VERY MUCH. WE ARE VERY PLEASED
TO BE HERE AND TO SEE THE NEW PROGRESS THAT HAS OCCURRED
IN CHINA. PLEASE ALLOW ME TO EXPRESS MY CONDOLENCES AND
THOSE OF MRS MANSFIELD, SENATOR AND MRS GLENN AND
OUR ENTIRE PARTY AT THE PASSING OF CHAIRMAN MAO.

MR LI: THANK YOU VERY MUCH. YOU ARE AN OLD FRIEND.
HOW MANY TIMES HAVE YOU VISITED CHINA?

SENATOR MANSFIELD: THREE TIMES SINCE LIBERATION

MR. LI: AND BEFORE LIBERATION?

SENATOR MANSFIELD: THREE TIMES ALSO.

MR. LI: YOU ARE AN OLD FRIEND INDEED. WHAT PLACES HAVE YOU VISITED?

SENATOR MANSFIELD: WE WERE FORTUNATE TO VISIT
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02072 01 OF 07 130613Z

SINKIANG AND KWANGTUN. WE HAVE BEEN TO PEKING THREE
TIMES ON THIS JOURNEY. WE ALSO WENT TO NANKING AND
WE WILL LEAVE FROM SHANGHAI.

MR LI: SO YOU ONLY HAVE TIBET LEFT TO SEE.

SENATOR MANSFIELD: AND INNER MONGOLIA.

MR LI: YOUR FRIEND DR SCHLESINGER WENT TO TIBET AND ALSO TO SINKIANG.

SENATOR MANSFIELD: HE ALSO WENT TO KWEILIN. FRANK VALEO SERVED IN KWEILIN DURING THE ANTI-JAPANESE WAR. HE WAS A SERGEANT THEN.

MR LI: WHAT YEAR WAS THAT.

MR VALEO: IN 1944.

MR LI: THAT WAS TOWARD THE END OF THE ANTI-JAPANESE WAR. PERSONALLY I CEASED FIGHTING AFTER 1949. I DID NOT FIGHT IN THE KOREAN WAR AGAINST AMERICAN AGGRESSION.

SENATOR MANSFIELD: YOU WERE IN THE LONG MARCH ALSO.

MR LI: YES. I FOUGHT FROM 1930 TO 1949. THAT WAS A LONG TIME, OR RATHER I SHOULD SAY BEGINNING IN 1927.

SENATOR MANSFIELD: WE WERE VERY MUCH IMPRESSED WITH THE TREMENDOUS PROGRESS IN CHINA SINCE OUR FIRST VISIT. THE MECHANIZATION OF FARMS, THE USE OF TRACTORS, MORE TRUCKS AND THE TREMENDOUS NUMBER OF BICYCLES ARE VERY IMPRESSIVE. YOU ARE EVEN APPROACHING A TRAFFIC PROBLEM IN PEKING.

MR LI: WE HAVE MADE SOME PROGRESS AND WE HAVE MADE SOME SUCCESS ACTING UNDER THE GREAT LEADERSHIP OF CHAIRMAN MAO. STILL WE ARE NOT SATISFIED. COMPARED WITH YOUR SITUATION WE ARE A COMPARATIVELY BACKWARD AND STILL AN UNDERDEVELOPED COUNTRY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PEKING 02072 01 OF 07 130613Z

SENATOR MANSFIELD: BUT THAT IS NOT A PROPER STANDARD OF COMPARISON. IF YOU COMPARE YOUR DEVELOPMENT JUST FROM 1949 YOU HAVE MADE GREAT PROGRESS.

MR LI: I AGREE BUT IN ONE ASPECT WE ARE MORE ADVANCED -- THE SIZE OF OUR POPULATION.

SENATOR MANSFIELD: HOW BIG DO YOU ESTIMATE THE SIZE OF YOUR POPULATION?

MR LI: IT IS IMPOSSIBLE TO SAY (BU CHIH TAO).

SENATOR MANSFIELD: OUR BUREAU OF THE CENSUS IN A RECENT PUBLICATION ESTIMATES THAT CHINA HAS 943,000,000 PEOPLE. DON'T ASK ME HOW THEY ARRIVED AT THAT FIGURE

BECAUSE I DON'T KNOW.

MR LI: (LAUGHS)

SENATOR MANFSIELD: IT MAY BE YOUR FIGURE FOR ALL I KNOW.

MR LI: WE SAY WE HAVE 800,000,000 PEOPLE BUT OUR MINISTRY OF COMMERCE SAYS WE HAVE 900,000,000 BUT THEY HAVE TO SUPPLY FOOD TO THE PEOPLE AND THEY ALWAYS EXAGGERATE. WE ARE TRYING TO CONTROL THE GROWTH OF OUR POPULATION.

SENATOR MANSFIELD: EXCEPT YOUR MINORITIES.

MR LI: YES. IT IS NOT EASY. SOME PEOPLE DON'T LISTEN. IN THE CITIES THEY HEED MORE, LIKE THOSE SEATED HERE HEED MORE. IT IS A VERY TROUBLESOME ISSUE AND TAKES A LOT OF WORK.

SENATOR MANSFIELD: A LOT OF LAND IS NEEDED TO PRODUCE FOOD FOR SUCH A LARGE POPULATION.

MR LI: IN CHINA YOU KNOW THE INFLUENCE OF CONFUCIUS ON PEOPLE'S THINKING IS GREAT. CONFUCIUS IN EFFECT SAID THE MORE CHILDREN THE BETTER. THIS IS A CONFIDENTIAL

CONFIDENTIAL

PAGE 05 PEKING 02072 01 OF 07 130613Z

CONCEPT THAT MUST BE CRITICIZED. IN RECENT YEARS THE POPULATION HAS BEEN SLOWED.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 02072 02 OF 07 130740Z

14

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 041257

O R 130430Z OCT 76

FM USLO PEKING

TO SECSTATE WASHDC IMMEDIATE 6558
AMCONSUL HONG KONG IMMEDIATE
INFO AMEMBASSY MOSCOW
AMEMBASSY TAIPEI
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 2 OF 7 PEKING 2072

EXDIS

HONG KONG PLEASE PASS TO SENATOR MANSFIELD

SENATOR MANSFIELD: THE VICE PREMIER IS NOTED FOR
HIS ECONOMIC AND FINANCIAL KNOWLEDGE. I UNDERSTAND
THAT THE NEW FIVE YEAR PLAN PROJECTED FOR CHINA IS
NOW BEING IMPLEMENTED. CAN YOU GIVE US SOME
INFORMATION ABOUT WHAT THE PLAN ENVISAGES?

MR. LI: YOU ARE LAUDING ME TOO HIGHLY.

SENATOR MANSFIELD: I DON'T THINK SO.

MR. LI: WE HAVE DRAW UP ANOTHER FIVE YEAR PLAN.
THE GENERAL CONCEPT IS TO MAKE FURTHER ECONOMIC
DEVELOPMENT OF THE COUNTRY. UNDER THE GUIDANCE
OF CHAIRMAN MAO'S REVOLUTIONARY LINE AND OF THE
BASIC LINE OF GRASPING CLASS STRUGGLE AS THE
KEY LINK AND FOLLOWING CHOU EN-LAI'S REPORT TO THE
FOURTH NATIONAL PEAPLES CONGRESS (ON INDUSTRY,
SCIENCE AND TECHNOLOGY) WE BASE OURSELVES ON
SELF-RELIANCE AND ARE SELF-RELIANT IN THE MAIN.
WE FULLY RELY ON THE WORKING CLASS AND THE
POOR AND MIDDLE PEASANTS AND THE WORKING INTELLECTUALS
OF OUR COUNTRY.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02072 02 OF 07 130740Z

WE CANNOT DO LIKE THE SOVIET UNION, GOING AROUND
THE WORLD BEGGING AID AND INCURRING DEBTS. WE
BELIEVE IN SELF-RELIANCE AND THE CONCEPT OF SELF-RELIANCE
IS NOT NEW. DURING THE WAR TIME THE CHAIRMAN LONG AGO
ADVOCATED SELF-RELIANCE. AT THAT TIME WE HAD NO
ORDNANCE FACTORIES, NO MONEY. WHAT WE RELIED UPON
WAS THE ENTHUSIASM OF THE PEOPLE. ONCE THAT
ENTHUSIASM IS AROUSED, THE STRENGTH AND POWER OF THE
PEOPLE KNOW NO LIMITS. THAT CALLS FOR SOME HARD
LIVING CONDITIONS FOR OUR PEOPLE. WE WILL IMPROVE
THE STANDARD OF LIVING OF THE PEOPLE WITH THE
DEVELOPMENT OF PRODUCTION. BUT THE STANDARD OF LIVING
HAS NOT IMPROVED SO MUCH BECAUSE IN OUR FINANCIAL BUDGET,

OUR INCOME AND OUR SPENDING MUST BALANCE. BECAUSE
IF THERE IS IMBALANCE WE WOULD HAVE TO INCREASE THE AMOUNT
OF MONEY PRINTED AND IT IS NOT GOOD TO CIRCULATE
TOO LARGE AN AMOUNT OF MONEY. THIS WOULD AFFECT
THE STABILITY OF PRICES. OUR POLICY IS TO ORGANIZE OUR
ECONOMY WITH PRIORITY GIVEN TO AGRICULTURE FIRST
AND THEN TO LIGHT INDUSTRY AND THEN TO HEAVY INDUSTRY.
AGRICULTURE MUST BE DEVELOPED FIRST BECAUSE PEOPLE
MUST EAT AND THEY MUST HAVE CLOTHES TO WEAR. WE
STRESS HAVING SUFFICIENT FOOD. AS FOR THE QUALITY
OF THE FOOD, I CANNOT SAY IT IS AT THE PRESENT TIME
VERY HIGH. WE STRESS SUFFICIENT CLOTHING. WE STRESS
KEEPING WARM ENOUGH BUT WE BT NOT STRESS EVERYONE
BEING DRESSED UP IN A FANCY WAY. SOME OF OUR
COMRADES ESPECIALLY OUR WOMEN COULD AFFORD TO DRESS MORE
PRETTILY BUT THEY DON'T SEEM TO WANT TO DO SO. I THINK THAT
IS A GOOD THING. FOR INSTANCE AS FOR THE
CHINESE LADIES HERE TODAY NO ONE TELLS THEM THAT THEY
MUST WEAR A CERTAIN UNIFORM.

SENATOR MANSFIELD: BUT THEY LIKE TO BE IN STYLE
AND ARE IN STYLE, JUST AS WE ARE.

MR LI: OUR NATIONAL ECONOMY IS VERY COMPLEX
MATTER. YOU KNOW OF COURSE OURS IS A PLANNED
ECONOMY. SOMETIMES WE COMMIT MISTAKES. WHEN WE
SEE WE HAVE COMMITTED A MISTAKE WE CORRECT IT.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02072 02 OF 07 130740Z

LOOKING AT THE GENERAL SITUATION WE SEE THAT THE
SPIRITS OF OUR PEOPLE ARE HIGH.

YOU HAVE PUT IT CORRECTLY WHEN YOU SAID WE SHOULD
COMPARE OUR PROGRESS WITH THE CHIANG KAI-SHEK TIMES.
THEN WE HAD MANY FAMINES WITH SEVERAL MILLION
DYING A YEAR. WE HAVE BEEN ABLE TO ELIMINATE THESE
FAMINES.

BUT WE HAVE CAPITALIST ELEMENTS IN THE COUNTRY.
AS FOR THOSE SOCIALIST IMPERIALISTS, THEY DO NOT
ADMIT THEY HAVE BOURGEOIS ELEMENTS OR A CAPITALIST
CLASS. WE ADMIT THAT WE DO HAVE THEM.
THERE ARE OLD BOURGEOIS AND THERE ARE NEW ONES.
THE SOVIET UNION SAYS IT HAS NO BOURGEOIS. AS IT
SEE IT BREZHNEV IS THE CHIEF BOURGEOIS.

THERE ARE THOSE IN THE INTERNATIONAL SCENE WHO
ARE FEARFUL THAT SINO-SOVIET RELATIONS WILL CHANGE
WITH THE PASSING OF CHAIRMAN MAO AND THEY SEEM MORTALLY
AFRAID THAT THIS WILL HAPPEN. WE HAVE FUNDAMENTAL

DIFFERENCES IN IDEOLOGY AND ESPECIALLY ON THE QUESTION OF DICTATORSHIP OF THE PROLETARIAT. WE HAVE BEEN DEBATING FOR SO MANY YEARS BECAUSE THEY HAVE REVISED THE BASIC PRINCIPLES OF MARXISM. THAT IS WHY WE CALL THEM REVISIONISTS.

AS FOR STATE RELATIONS (WITH THE SOVIET UNION) WE ARE WILLING TO MAINTAIN STATE RELATIONS ON THE BASIS OF THE FIVE PRINCIPLES OF PEACEFUL CO-EXISTENCE. WHEN CHAIRMAN MAO PASSED AWAY THEY TRIED TO SEND A CONDOLENCE MESSAGE FROM THE CENTRAL COMMITTEE OF THE CPSU. WE REJECTED THEIR MESSAGE AS YOU PROBABLY KNOW.

SENATOR MANSFIELD: YES.

MR. LI: WE WILL NOT AGREE TO BE A PARTY TO A SHAM COMMUNIST PARTY SENDING A MESSAGE TO A GENUINE COMMUNIST PARTY. THE LINE WE FOLLOW IN FOREIGN AFFAIRS

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 02072 03 OF 07 130758Z

14

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 041396

O R 130430Z OCT 76

FM USLO PEKING

TO SECSTATE WASHDC IMMEDIATE 6559

AMCONSUL HONG KONG IMMEDIATE

INFO AMEMBASSY MOSCOW

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 3 OF 7 PEKING 2072

EXDIS

HAS BEEN LAID DOWN BY CHAIRMAN MAO AND WE WILL RESOLUTELY CARRY IT OUT.

SENATOR MANSFIELD: AND THE UNITED STATES?

MR LI: THE SHANGHAI COMMUNIQUE. SHALL WE MOVE A

STEP FURTHER? THAT IS YOUR BUSINESS.

SENATOR MANSFIELD: WE CAN DISCUSS IT.

MR LI: WELL I SUGGEST THE DISCUSSION WOULD BE AROUND THE TAIWAN ISSUE AND NOTHING BUT THE TAIWAN ISSUE. YOU ALSO MADE CLEAR IN THE SHANGHAI COMMUNIQUE THAT YOU AGREE THAT ALL CHINESE ON EITHER SIDE OF THE STRAITS AGREE THAT THERE IS ONE CHINA AND THAT IS THE PEOPLES REPUBLIC OF CHINA.

MANSFIELD: THE SHANGHAI COMMUNIQUE WAS ENTERED INTO WITH GOOD FAITH WHEN IT WAS SIGNED BY CHOU EN-LAI AND NIXON, BUT WE HAVE TO RECOGNIZE THAT A NUMBER OF EVENTS, INCLUDING ONE OF EXTRAORDINARY SIGNIFICANCE, WATERGATE, HAVE INTERVENED AND HAVE PLAYED A MOST IMPORTANT PART IN OUR DOMESTIC SITUATION. THIS IN TURN IS RELATED TO OUR FOREIGN POLICY. THESE EVENTS DIVERTED OUR INTEREST FROM IMPORTANT MATTERS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02072 03 OF 07 130758Z

IN FOREIGN POLICY TO A MOST IMPORTANT MATTER AFFECTING THE CONSTITUTION OF THE UNITED STATES. IT WAS FINALLY SETTLED THROUGH THE RESIGNATION OF NIXON AND THE SELECTION OF PRESIDENT FORD BY CONGRESS IN ACCORDANCE WITH THE 25TH AMENDMENT. PRESIDENT FORD HAS ONLY HAD A COMPARATIVELY SHORT TIME IN OFFICE BEFORE BEING ENGAGED IN A POLITICAL CAMPAIGN WHICH IS TO BE SETTLED ON NOVEMBER 2. WE MUST THEN WAIT UNTIL JANUARY 20, 1977, FOR THE INAUGURATION OF EITHER PRESIDENT FORD, WHO WOULD BE ELECTED FOR THE FIRST TIME, OR OF GOVERNOR CARTER. THEN THE NEXT PRESIDENT WILL HAVE A FOUR YEAR SPAN TO CONCENTRATE ON IMPORTANT ISSUES. THIS IS IN STARK CONTRAST TO THE LAST FEW YEARS WHEN WE HAD THE TURMOIL OF THE WATERGATE AFFAIR WHICH SHOOK THE UNITED STATES. I THINK THESE FACTORS SHOULD BE KEPT IN MIND.

YOU WILL RECALL AFTER PRESIDENT FORD VISITED THE PEOPLE'S REPUBLIC OF CHINA LAST YEAR HE MADE A STATEMENT IN HONOLULU EMPHASIZING HIS GOAL OF FULL NORMALIZATION OF RELATIONS BETWEEN OUR TWO COUNTRIES. I THINK PRESIDENT FORD HAS THE INTERESTS OF BETTER RELATIONS BETWEEN US AT HEART AND, IF GOVERNOR CARTER IS ELECTED, HE WILL FOLLOW THE SAME PROCESS. OUR POLICY IS SET. IT MAKES NO DIFFERENCE IF A REPUBLICAN OR A DEMOCRAT IS ELECTED-- THE POLICY WILL REMAIN.

PRESIDENT FORD WOULD NOT HAVE ASKED ME TO UNDERTAKE THIS JOURNEY UNLESS HE WAS VERY INTERESTED IN MOVING TOWARDS NORMALIZATION OF RELATIONS CALLED FOR IN THE SHANGHAI COMMUNIQUE. A COPY OF THE PRESIDENT'S LETTER TO ME HAS BEEN SENT TO THE PRC LIAISON OFFICE IN WASHINGTON. I WOULD HOPE THAT THE CHINESE GOVERNMENT AND PEOPLE WOULD

UNDERSTAND THESE FACTORS AND RECOGNIZE THAT WE HAVE MANY KNOTS TO UNTIE. IT IS EASY TO TIE A KNOT, BUT NOT AS EASY TO UNTIE ONE. I WOULD HOPE THE WORD "PATIENCE" WOULD BE USED IN COMPREHENDING AND UNDERSTANDING THE RELATIONS WHICH EXIST BETWEEN OUR TWO COUNTRIES AT THIS TIME.

LI: KNOTS ARE ALSO EASY TO UNTIE. IT ONLY CALLS FOR THE SEVERANCE OF DIPLOMATIC RELATIONS, THE WITHDRAWAL OF YOUR TROOPS AND THE ABROGATION OF THE TREATY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02072 03 OF 07 130758Z

MANSFIELD: WE UNDERSTAND THE JAPANESE FORMULA, BUT KNOTS OVER A PERIOD OF TIME BECOME HARDER AND THEY ARE NOT EASY TO UNTIE, AND THEY TAKE TIME.

LI: AND I MAY ADD ONE POINT. AS TO HOW THE PEOPLE'S REPUBLIC OF CHINA IS TO SETTLE THE TAIWAN ISSUE, BY FORCE OR BY PEACEFUL MEANS, IS OUR INTERNAL AFFAIR AND WE DON'T WANT INTERFERENCE FROM FOREIGNERS. PATIENCE IS POSSIBLE.

AS FAR AS I KNOW, OUR VIEWS ON THIS ISSUE WERE DISCUSSED WITH PRESIDENT NIXON, PRESIDENT FORD, SECRETARY KISSINGER AND MANY AMERICANS. I THINK OUR VIEWS ARE WELL KNOWN.

MANSFIELD: YES, THEY ARE VERY WELL KNOWN.

LI: YOU TALKS ABOUT PATIENCE. IT IS A POSSIBILITY. WE HAVE TIME ENOUGH.

MANSFIELD: MR. VICE PREMIER, YOU MENTIONED YOUR DIFFICULTY WITH THE SOVIET UNION BASED ON IDEOLOGY, BUT ISN'T ANOTHER FACT TO BE CONSIDERED. ARE THERE NOT TERRITORIAL ISSUES TO BE CONSIDERED?

LI: THAT BELONGS TO THE REALM OF STATE RELATIONS.

MANSFIELD: BUT HAS NOTHING BEEN DONE DURING THE PAST SEVERAL YEARS TO HELP CORRECT THE SITUATION?

LI: WE HAVE HAD NEGOTIATIONS ON BORDER ISSUES FOR SEVEN YEARS NOW AND THERE HAS NOT BEEN MUCH PROGRESS YET.

MANSFIELD: IT IS STILL A BONE OF CONTENTION.

LI: OF COURSE. IT IS A MATTER OF CONTENTION AND SOMETIMES ACUTE CONTENTION.

MANSFIELD: MAY I SAY WE WERE VERY IMPRESSED BY THE PEOPLE

OF SINKIANG. THEY WERE CALM AND UNWORRIED AND GAVE US THE
FEELING THAT THEY WERE SURE OF THEMSELVES AND WERE PREPARED
FOR ANY EVENTUALITY WHICH MIGHT OCCUR.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PEKING 02072 03 OF 07 130758Z

LI: OF WHAT USE IS IT TO WORRY DAY IN AND DAY OUT? IF IT

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 02072 04 OF 07 130747Z

14

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 041308

O R 130430Z OCT 76

FM USLO PEKING

TO SECSTATE WASHDC IMMEDIATE 6560

AMCONSUL HONG KONG IMMEDIATE

INFO AMEMBASSY MOSCOW

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 4 OF 7 PEKING 2072

EXDIS

IS GOING TO RAIN AND IF SOMEONE IS GOING TO MARRY YOUR
MOTHER, WHAT CAN YOU DO? YOU JUST HAVE TO HARDEN YOUR
HEARTS. ACCORDING TO THE CHAIRMAN'S TEACHING, WE WILL
NOT ATTACK IF WE ARE NOT ATTACKED, BUT IF WE ARE ATTACKED
WE WILL CERTAINLY COUNTERATTACK. FIGHTING IS JUST SUCH A
THING. YOU HAVE TO FIGHT WHETHER YOU'RE AFRAID OR NOT.
IT'S BETTER TO GET A GOOD SLEEP AND THEN FIGHT AGAIN WHEN ONE
IS MORE RESTED. WE HAVE HAD THAT EXPERIENCE IN THE LONG
PERIODS OF WAR. GO HOME, GO TO BED, REST UP, PREPARE TO
FIGHT ANOTHER TIME. WHEN YOU'VE HAD A GOOD SLEEP YOUR
MIND IS CLEAR AND YOU CAN FIND A NEW WAY. AT THE UTMOST,
ONE WILL ONLY LOSE A FEW MORE PEOPLE. YOU PROBABLY DON'T
AGREE BECAUSE YOU ABHOR PEOPLE DYING. BUT IF PEOPLE ARE

GOING TO BULLY YOU, INVADE YOUR COUNTRY AND MAKE YOU LIVE
LIKE SLAVES, IT IS BETTER TO DIE.

MANSFIELD: I DO NOT DISAGREE THAT PEOPLE MUST REACT IF
THEY ARE INVADED.

LI: AS I SEE IT, SOME PEOPLE SAY THE SOVIETS HAVE ONE
MILLION TROOPS DIRECTED AGAINST OUR TERRITORY. BUT THEY ARE
NOT JUST IN OUR AREA, THEY ARE DIRECTED AGAINST AFGHANISTAN
AND TURKEY AS WELL. THIS IS A LONG LINE AND TO FIGHT WITH
SUCH PUNY FORCES ALONG SUCH AN EXTENDED LINE IS NOT EASY.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02072 04 OF 07 130747Z

THE SOVIETS ARE OUT AFTER THREE TARGETS IN THE EAST. THE

FIRST IS THE UNITED STATES, THE SECOND IS JAPAN AND THE
THIRD IS CHINA. BUT THEIR STRESS IS STILL IN EUROPE. YOU
MIGHT NOT AGREE, BUT I FEEL THE MAIN THRUST OF SOVIET
REVISIONISM IS IN EUROPE AND THE MIDDLE EAST.

MANSFIELD: WOULD YOU SAY THE UNITED STATES IS WISE TO
MAINTAIN 145,000 MILITARY PERSONNEL IN WESTERN EUROPE
AND IN FOREIGN COUNTRIES?

LI: THAT IS YOUR BUSINESS. IT SEEMS WE HAVE A QUESTION
HERE. WE BELIEVE EUROPE SHOULD BECOME STRONGER. IT IS TOO
SOFT, TOO DISPERSED. IN THE PRESENT STATE OF AFFAIRS,
EUROPE CANNOT LEAVE THE UNITED STATES AND THE UNITED STATES
CANNOT LEAVE EUROPE. THAT IS THE PRESENT STATE OF AFFAIRS.

MANSFIELD: OUR MOST IMPORTANT TREATY IS IN EUROPE.
I AGREE THAT EUROPEAN COUNTRIES SHOULD DO MORE IN ITS OWN DEFENSE
AND I HAVE BEEN ADVOCATING THIS FOR YEARS. BUT THEY ARE LOATH
TO DO SO. HOW DO YOU GET THEM TO ACT IN THEIR OWN BEST
INTERESTS IS A QUESTION NOT EASY TO SOLVE. THERE ARE
DIFFICULTIES IN THE SOUTHEAST SECTOR OF NATO, IN ITALY, AND
IN PORTUGAL ON THE SOUTHWEST FLANK. BUT THE EUROPEAN
COUNTRIES THEMSELVES MUST DO SOMETHING TO HELP THEMSELVES.
WE CANNOT DO IT ALONG.

LI: BUT IT SEEMS YOU CAN DO SOMETHING.

MANSFIELD: WHAT?

LI: GIVE ADVICE (LAUGH).

MANSFIELD: WE HAVE GIVEN TOO MUCH ADVICE TO TOO MANY PEOPLE
ALREADY. THESE NATIONS ARE SOVEREIGN STATES AND SHOULD MAKE
UP THEIR OWN MINDS.

LI: IT SEEMS TO US THAT RECENTLY MORE AND MORE PEOPLE
ARE USING THEIR MINDS. FOR INSTANCE, THERE ARE SOME
WELL KNOWN EUROPEAN FIGURES WHO HAVE SAID THAT THE MAIN
THRUST OF THE SOVIET UNION IS TOWARD THE FAR EAST. NOW
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02072 04 OF 07 130747Z

THEY THINK THAT THE MAIN THRUST IS TOWARDS EUROPE. IT
SEEMS THAT PUBLIC OPINION IN EUROPE HAS UNDERGONE SOME
CHANGE.

YOU HAVE MR. SONNENFELDT IN THE UNITED STATES DO YOU NOT?

MANSFIELD: IN THE STATE DEPARTMENT.

LI: HE SEEMS TO HAVE A MUNICH DOCTRINE.

MANSFIELD: NO ONE HERE SUPPORTS IT.

LI: WHAT ABOUT DR. KISSINGER?

MANSFIELD: I THINK HE BACKED AWAY FROM IT, TOO. MR.
SONNENFELDT HAS EXPLAINED HIS VIEWS SINCE THE SPEECH HE
GAVE TO A MEETING OF AMBASSADORS SOME MONTHS AGO.

LI: IT SEEMS TO ME HE HAS BEEN CRITICIZED.

MANSFIELD: A BIT.

LI: HIS IS AN APPEASEMENT POLICY. A MUNICH LINE OF
THINKING.

MANSFIELD: SOME PEOPLE CALL IT THAT. THERE ARE PEOPLE
WHO SAY THAT AND WE SEE IT, TOO, AS MUNICH THINKING.
GETTING BACK TO ADVICE. PRESIDENT FORD AND SECRETARY
KISSINGER BOTH TRIED TO GIVE ADVICE TO GREECE AND TURKEY,

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 02072 05 OF 07 130810Z

10
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 041492

O R 130430Z OCT 76

FM USLO PEKING

TO SECSTATE WASHDC IMMEDIATE 6561

AMCONSUL HONG KONG IMMEDIATE

INFO AMEMBASSY MOSCOW

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 5 OF 7 PEKING 2072

EXDIS

BUT GREECE THOUGHT WE WERE HELPING TURKEY AND TURKEY
THOUGHT WE WERE HELPING GREECE. IT WAS A DIFFICULT
SITUATION.

LI: WHAT IS NEEDED IS A FRIENDLY AND EQUAL APPROACH.

MANSFIELD: EQUALITY IS THE KEY WORD BETWEEN NATIONS AND
PEOPLE.

LI: BETWEEN PEOPLE IT MAY BE. DO YOU THINK CAPITALISTS
ARE FRIENDLY TO WORKERS? WE ARE NOT FRIENDLY TO CAPITALISTS.

MANSFIELD: EVERYONE IN THE US IS FRIENDLY TO WORKERS.

LI: THAT MAY NOT BE SO.

MANSFIELD: ALL OF THE MEMBERS OF MY DELEGATION HERE ARE
WORKERS. I STARTED OUT WORKING IN A MINE. SENATOR GLENN
STARTED OUT WORKING, AS DID THE OTHERS. YOU THINK YOUR
SYSTEM IS GOOD EVEN THOUGH IT MAY NOT BE AS GOOD AS YOU
WOULD LIKE IT TO BE. WE, TOO, THINK THE SAME ABOUT OUR
SYSTEM. DIFFERENCES OF POLITICAL PHILOSOPHY DO NOT PREVENT
PEOPLE FROM BECOMING FRIENDS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02072 05 OF 07 130810Z

LI: I AGREE WE SHOULD MAINTAIN FRIENDSHIP. THAT IS POSSIBLE.
OUR SOCIAL SYSTEMS ARE DIFFERENT, YET WE HAVE MUCH COMMON
GROUND. THE MOST COMMON POINT BETWEEN US IS THAT WE MUST
BOTH DEAL WITH SOCIAL IMPERIALISM, AS CHAIRMAN MAO SAID.
THE POLAR BEAR HAS WILD AMBITION AND IS TRYING TO EXPAND
EVERYWHERE. IT IS EXTREMELY ODD THAT WHEN PEOPLE SPEAK OF
SOCIAL IMPERIALISM THERE ARE PEOPLE WHO ARE MORTALLY AFRAID
OF IT. ACTUALLY, IF YOU ANALYZE CAREFULLY ONE FINDS THAT
SINCE IT IS AN EXPANSIONIST SOCIAL IMPERIALIST POWER

IT WILL PLACE ITSELF IN THE POSITION OF AN ENEMY OF THE PEOPLES OF THE WORLD.

MANSFIELD: WE LIKE PANDA BEARS.

LI: EXTERNALLY IT PLACES ITSELF IN THE POSITION OF AN ENEMY OF THE PEOPLE OF THE WORLD. WITHIN ITS OWN COUNTRY, SINCE CAPITALISM HAS BEEN RESTORED, THE RELATIONSHIP BETWEEN THE GOVERNMENT AND THE PEOPLE IS VERY TENSE. THIS IS ESPECIALLY TRUE OF RELATIONS BETWEEN THE GOVERNMENT AND THE NATIONALITIES. AS FOR THE ECONOMY, THEY DON'T SEEM TO HAVE ENOUGH TO EAT. SOMEONE HAS SAID THEY SOW GRAIN IN THE SOVIET UNION AND REAP IT IN THE UNITED STATES AND CANADA.

SENATOR MANSFIELD: THEY DID GET THE BEST OF US AND THEY SOLD GRAIN BACK TO US AT HIGHER PRICES. THAT CAPITALIST PUBLICATION THE WALL STREET JOURNAL HAD AN ARTICLE SAYING THAT THIS WAS SO.

MR LI: THEY HAVE WILD AMBITIONS, WITHOUT THE STRENGTH TO MEET THESE AMBITIONS. THEY ARE A PAPER TIGER. THEY ARE BULLIES; THEY ARE WEAK AND THEY FEAR STRENGTH. SO WE SHOULD TOUGHEN UP A BIT. I HAVE MET A NUMBER OF JAPANESE FRIENDS AND MY ADVICE TO THEM WAS TO TOUGHEN UP A BIT. DID THEIR FOREIGN MINISTER MIYAZAWA TALK WITH YOU? HIS WAS NOT A GOOD SPEECH.

SENATOR MANSFIELD: IT WAS HIS STATEMENT, NOT MINE.

MR LI: YES, I KNOW.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02072 05 OF 07 130810Z

SENATOR MANSFIELD: MIYAZAWA IS NO LONGER FOREIGN MINISTER.

MR LI: YES, THERE IS A NEW FOREIGN MINISTER. THE UNITED STATES SHOULD HAVE GOOD RELATIONS WITH JAPAN.

SENATOR MANSFIELD: I AGREE.

MR LI: WE HAVE SAID MANY TIMES WITH REGARD TO JAPAN'S FOREIGN RELATIONS THE UNITED STATES COMES FIRST AND CHINA SECOND.

SENATOR MANSFIELD: THAT IS AN EXCELLENT OBSERVATION. WE ARE TIED TO JAPAN THROUGH OUR MUTUAL SECURITY TREATY. THIS MEANS THAT THEIR ARMED FORCES WILL NOT INCREASE AND WILL NOT CREATE A THREAT TO ASIA AS THEY DID IN BY-GONE DAYS WHICH CHINA REMEMBERS ALL TOO VIVIDLY.

MR LI: THERE ARE THOSE IN JAPAN WHO WANT TO REVIVE
MILITARISM BUT CIRCUMSTANCES ARE NOW DIFFERENT THAN THEY
WERE BEFORE.

SENATOR MANSFIELD: MUCH DIFFERENT.

MR. LI: FOR INSTANCE, JAPAN WANTS TO DEVELOP ITS DEFENSE
FORCES TO DEFEND ITS OWN COUNTRY. WE ARE IN FAVOR OF
THIS, BUT IF JAPAN WANTED TO DEVELOP ITS FORCES TO
EXPAND ABROAD WE ARE NOT IN FAVOR.

SENATOR MANSFIELD: I DOUBT THAT THEY WILL

MR LI: AT PRESENT.

SENATOR MANSFIELD: JAPAN'S ATTITUDE HAS CHANGED.

MR LI: YES, THERE HAVE BEEN SOME CHANGES.

MR LI: AS FOR THE GENERAL TREND OF DEVELOPMENTS
IN THE WORLD OUR VIEW, WHICH WAS THE CHAIRMAN'S CONSISTENT
VIEW, IS THAT THERE IS GREAT DISORDER UNDER HEAVEN AND
THE SITUATION IS EXCELLENT. YOUR DR SCHLESINGER AGREES
TO THE FIRST PHRASE BUT NOT TO THE SECOND.
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PEKING 02072 05 OF 07 130810Z

SENATOR MANSFIELD: THERE ARE MANY POINTS OF AGREEMENT AND
DISAGREEMENT.

MR LI: THAT IS COMPLETELY ALLOWABLE. THE DISORDER IS
AMONGST THE HEGEMONISTS WHILE ON THE OTHER HAND THE
AWARENESS OF THE PEOPLE IS RISING DAILY AND WHAT IS NOT
EXCELLENT IN THAT? ONE MUST NOT JUST SEE THE MINOR POINTS.
TAKE ANGOLA. THE SOVIET UNION PUSHED CUBA INTO ANGOLA
TO CREATE CHAOS.

SENATOR MANSFIELD: RIGHT.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 02072 06 OF 07 130820Z

10
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W
----- 041564

O R 130430Z OCT 76
FM USLO PEKING
TO SECSTATE WASHDC IMMEDIATE 6562
AMCONSUL HONG KONG IMMEDIATE
INFO AMEMBASSY MOSCOW
AMEMBASSY TAIPEI
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 6 OF 7 PEKING 2072

EXDIS

MR LI: YOU SEEM TO BE WORKING WITH THE AFRICAN NATIONS
NOW.

SENATOR MANSFIELD: WE ARE TRYING TO AND WE HOPE TO HELP
SOUTHERN AFRICA BEFORE SOMETHING ERUPTS.

MR. LI: SUPPORT THEIR INDEPENDENCE. THEY THE AFRICANS
WILL BE HAPPY.

SEANTOR MANSFIELD: THAT IS WHAT KISSINGER IS TRYING TO
ACHIEVE BUT THERE ARE MANY OBSTACLES.

MR. LI: OF COURSE ROADS ARE NOT ALWAYS ARROW STRAIGHT.
THEY ARE ALWAYS TORTUOUS.

SEANTOR MANSFIELD: THE STRAIGHTEST DISTANCE, AS SENATOR
BLENN WOULD INDICATE TO YOU, IS NOT ALWAYS A STRAIGHT LINE.

MR. LI: YOU ARE RIGHT, VERY RIGHT. ANYWAY, THERE IS ONE
THING IN THE WORLD THAT THE SOVIET UNION WANTS AND THAT
IS EXPANSION; AND YOU HAVE INTERESTS YOU WANT TO PROTECT.
IT IS NOT EASY TO CHANGE THIS SITUATION.

SEANTOR MANSFIELD: WE'LL SEE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02072 06 OF 07 130820Z

MR. LI: I RECALL YOU HAVE DISCUSSED THE WESTERN PACIFIC
AND YOU HAVE ASKED HOW WE SEE THE ISSUE OF YOUR MILITARY
FORCES STATIONED THERE. WE BELIEVE IT IS NOT A GOOD THING
TO HAVE FORCES ON FOREIGN SOIL. IT SEEMS YOUR SITUATION

IN THE WESTERN PACIFIC ALSO IS A RESULT OF THE FACT THAT YOU HAVE INTERESTS THERE TO PROTECT. AS TO HOW YOU GO ABOUT IT IS FOR YOU TO DECIDE.

SENATOR MANSFIELD: I APPRECIATE YOUR VIEWS.

MR. LI: AS FOR KOREA, I SHOULD THINK YOU WOULD DO A HELL OF A LOT OF GOOD TO GET THE UNITED NATIONS COMMAND OUT AND TO WITHDRAW U.S. TROOPS. THIS WOULD BE BOTH AN AFFIRMATIVE AND POSITIVE ACTION AND WOULD ALLOW NORTH AND SOUTH KOREA TO WORK OUT THEIR OWN PROBLEMS.

SENATOR MANSFIELD: WOULD CHINA JOIN THE UNITED STATES IN TRYING TO BRING ABOUT A SETTLEMENT? EITHER BY FREE ELECTIONS OR BY SOME OTHER MEANS TO BRING ABOUT THE SITUATION THAT CHINA DESIRES.

MR. LI: I HAVEN'T STUDIED THAT ISSUE VERY MUCH. BUT OUR VIEW OF THE KOREAN ISSUE IS THAT IT IS UP TO THE KOREAN PEOPLE TO DECIDE THEMSELVES. OUR VIEW IS THAT THE KOREAN PEOPLE SHOULD SOLVE THE ISSUE THROUGH CONTACTS AND DISCUSSIONS BETWEEN THEIR TWO SIDES.

SENATOR MANSFIELD: I AGREE.

MR. LI: HOW CAN WE DO OTHERWISE AND INTERFERE?

SENATOR MANSFIELD: WELL, WHAT WOULD YOU ADVISE.

MR. LI: FIRST, WITHDRAW YOUR TROOPS AND DO AWAY WITH THE UNITED NATIONS COMMAND.

SENATOR MANSFIELD: I'LL PASS ALONG YOUR VIEWS.

MR. LI: THIS DISCUSSION HAS BEEN BETWEEN YOU AND ME, AND WHETHER YOU WANT TO PASS IT ON IS UP TO YOU.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02072 06 OF 07 130820Z

SENATOR MANSFIELD: PASSING IT ON IS ONE MEANS OF PASSING THE BUCK.

MR. LI: OUR CONVERSATION IS FOR OLD FRIENDS AND NOT FOR PUBLICATION.

SENATOR MANSFIELD: YES, BUT SERIOUSLY, I WILL PASS IT ON TO THE PRESIDENT AND TO THE SENATE FOREIGN RELATIONS COMMITTEE.

MR. LI: I THINK OUR RELATIONS SHOULD BECOME FRIENDLIER

STEP BY STEP, BUT SOMETIMES IN OUR NEWSPAPERS AND AT THE UNITED NATIONS WE FIRE A FEW CANNONS -- BUT THESE CANNONS ARE EMPTY.

HAVE YOU READ FOREIGN MINISTER CHIAO KUAN-HUA'S SPEECH AT THE UNITED NATIONS?

SENATOR MANSFIELD: YES, I HAVE A COPY AND I'VE READ IT WITH INTEREST.

MR. LI: HAVE YOU ALSO READ THE MESSAGE OF THE CENTRAL COMMITTEE OF THE COMMUNIST PARTY, THE STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS, THE STATE COUNCIL, AND THE MILITARY COMMISSION TO THE WHOLE NATION, AND THE SPEECH MADE BY PREMIER HUA AT THE MEMORIAL MEETING?

SENATOR MANSFIELD: YES, I HAVE A COPY OF THE FIRST, BUT NOT THE SECOND. (MR. LI INSTRUCTED HIS AIDES TO OBTAIN A COPY FOR SEN. MANSFIELD).

MR. LI: WE ARE TO CARRY ON THE CUASE LEFT BEHIND BY CHAIRMAN MAO AND TO CARRY OUT HIS REVOLUTIONARY LINE WHICH MEANS OUR INTERNAL AND OUR FOREIGN POLICIES WILL NOT CHANGE.

SENATOR MANSFIELD: MAY I SAY THAT THIS HAS BEEN A YEAR OF GREAT TRAGEDY WITH THE PASSING AWAY OF CHOU EN-LAI, CHU TE, AND CHAIRMAN MAO, AS WELL AS THE TANGSHAN EARTH-QUAKE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PEKING 02072 06 OF 07 130820Z

MR. LI: THESE HAVE BEEN GREAT LOSSES. THEY WERE ALL OLD COMRADES OF ADVANCED AGE AND HAD BEEN ILL FOR A LONG TIME AND IT WAS A NATURAL INEVITABLE DEVELOPMENT THAT WE WERE UNABLE TO STOP.

UNDER THE LEADERSHIP OF THE CENTRAL COMMITTEE, LED BY PREMIER HUA WHO HAS SUCEEDED CHAIRMAN MAO, WE ARE CONFIDENT WE CAN MANAGE OUR COUNTRY. ALL DIFFICULTIES CAN BE SURMOUNTED. WE HAVE CONFIDENCE BECAUSE WE HAVE MAO TSE-TUNG'S THOUGHTS AND CHAIRMAN MAO LIVES FOREVER IN OUR HEARTS.

SENATOR MANSFIELD: MAY I CALL ON SENATOR GLENN TO ASK A QUESTION?

SENATOR GLENN: I HAVE BEEN MUCH IMPRESSED WITH THE BREADTH OF THE CONVERSATION. EARLY IN THE CONVERSATION THE VICE PREMIER STRESSED THE POSITION OF AGRICULTURE AND FOOD FOR SELF-SUFFICIENCY. THAT MUST BE A FIRST OBJECTIVE FOR ALL

COUNTRIES. BEYOND THAT MUCH DEPENDS ON SOURCES OF FUEL AND ENERGY. GEOLOGISTS SAY THAT CHINA HAS LARGE POTENTIAL OIL DEPOSITS. THE DEVELOPMENT OF FUEL RESOURCES IS A KEY FACTOR NOT ONLY IN CHINA BUT ALSO IN THE DEVELOPMENT OF ALL NATIONS IN THE WORLD. IT IS A SERIOUS PROBLEM FOR THE NEXT GENERATION.

MR. LI: WE HAVE ENOUGH OIL TO USE NOW. OF COURSE WE STILL HAVE TO DEVELOP IT. THE PRINCIPLE BY WHICH WE DEVELOP IS SELF-RELIANCE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 PEKING 02072 07 OF 07 130824Z

10
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

----- 041608

O R 130430Z OCT 76

FM USLO PEKING

TO SECSTATE WASHDC IMMEDIATE 6563

AMCONSUL HONG KONG IMMEDIATE

INFO AMEMBASSY MOSCOW

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 7 OF 7 PEKING 2072

EXDIS

SENATOR GLENN: THAT CAN BE A MAJOR FACTOR IN CHINA'S RELATIONS WITH THE REST OF THE WORLD. HOW WILL CHINA USE THIS RESOURCE IN INTERNATIONAL COMMERCE? ARE THERE PLANS TO MOVE IN THAT DIRECTION?

MR LI: OF COURSE OUR SUBJECTIVE WILL IS TO DEVELOPE THIS RESOURCE AS PRICKLY AS POSSIBLE. AS FOR THE INTERNATIONAL ASPECTS THIS IS A QUESTION OF NECESSITY AND POSSIBILITY. WE ARE WILLING TO DEVELOP FRIENDLY CONTACTS UNDER THE CONDITIONS OF SELF-RELIANCE AND ACCORDING TO THE PRINCIPLES OF NECESSITY AND POSSIBILITY. THERE ARE SOME THIRD WORLD COUNTRIES WHO INVITE FOREIGN INVESTMENT AND GO IN FOR MULTI-NATIONAL CORPORATIONS TO TAP THEIR OIL RESOURCES. WE DO NOT INTEND TO GO IN THAT DIRECTION.

AS FOR COMMERCIAL CONTACTS ON THE BASIS OF EQUALITY AND
IN THE LIGHT OF NECESSITY AND POSSIBILITY WE ARE WILLING
TO DEVELOP SUCH CONTACTS. BUT IN TRADE WE IMPORT MORE FROM
YOU THAN YOU FROM US; BUT WE ARE NOT IN GREAT HASTE.

SENATOR GLENN: IN FLYING OVER THE VAST REGIONS OF CHINA ONE CAN
SEE THAT IT IS SUCH A VAST COUNTRY THAT I DO NOT KNOW IF THE CHINESE
KNOW HOW MANY RESOURCES THEY HAVE.

MR LI: INDEED THERE ARE LOTS OF RESOURCES WE DO NOT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 02072 07 OF 07 130824Z

KNOW WE HAVE, BUT WE WILL FIND OUT EVENTUALLY.

SENATOR GLENN: YOU HAVE VAST RESOURCES WHICH WILL HELP
KEEP YOU SELF-RELIANT.

MR LI: WE ALSO EXPORT A LITTLE. FOR INSTANCE, WE EXPORT
A LITTLE OIL.

SENATOR GLENN: I THINK CHINA COULD BECOME A LARGE EXPORTER
OF ENERGY TO THE WORLD.

MR LI: THAT WORD "LARGE" IS NO VERY RELIABLE.

SENATOR GLENN: WE HAVE HERE A WORLD-RENOWNED SCIENTIST,
WHO COULD ADVISE US, DR. CHOU PEI-YUAN.

SENATOR MANSFIELD: DURING MY VISIT IN 1972 I LEARNED THAT
CHINA'S TRADE FOR 1971 OF 2.3 BILLION IN EXPORTS AND 2.1
BILLION IN IMPORTS ALMOST BALANCED. THEN CHINA BOUGHT
LARGE AMOUNTS OF GRAIN, SOME AIRPLANES FROM THE UNITED
STATES AND SOME MACHINERY IMPORTS FROM JAPAN RESULTING
IN AN IMBALANCE IN TRADE. THIS HAS BEEN CORRECTED TO
SOME EXTENT, BUT WHAT IS THE BALANCE NOW?

MR LI: OUR TRADE IS BASICALLY BALANCED AT THE PRESENT
TIME.

SENATOR MANSFIELD: IS IT YOUR POLICY TO KEEP YOUR
IMPORTS EQUAL TO YOUR EXPORTS?

MR LI: GENERALLY THAT IS SO.

SENATOR MANSFIELD: THAT AVOIDS INDEBTEDNESS. WE KNOW
THAT IT DOES NOT FEEL GOOD TO BE IN DEBT.

MR LI: WE INCURRED SOVIET DEBTS AND WITH INTEREST.
THEY ALSO SAID IT WAS SELFLESS. THEY FORCED DOWN THE PRICE
OF OUR EXPORTS TO THEM AND RAISED THE PRICE OF THEIR

EXPORTS TO US. IS THAT SELFLESS?

SENATOR MANSFIELD: WHAT IS THE BALANCE OF SINO-SOVIET
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 02072 07 OF 07 130824Z

TRADE?

MR. LI: THEY ARE IN DEBT TO US, BUT IT IS NOT A VERY
LARGE DEBT. THE DEBT WE INCURRED FROM THE SOVIET UNION
WAS INCURRED TO HELP KOREA AGAINST U.S. AGGRESSION WHEN
WE FOUGHT YOU. WE BOUGHT AMMUNITION FROM THE SOVIETS
AND WE ALSO BORROWED FROM THEM.

SENATOR MANSFIELD: YOU USED TO HAVE A LARGE TRADE WITH
THE SOVIET UNION.

MR. LI: INDEED.

SENATOR MANSFIELD: MOST OF YOUR TRADE HAS NOW SHIFTED TO
OTHER AREAS.

MR. LI: EIGHTY TO 90 PERCENT OF OUR TRADE NOW GOES TO
SECOND AND THIRD WORLD COUNTRIES AND TO YOURSELVES. THE
SOVIET UNION IS NOT VERY HAPPY.

SENATOR MANSFIELD: WE ARE.

VICE PREMIER LI THEN ASKED SENATOR MANSFIELD WHICH
COUNTRIES HE WAS GOING TO VISIT NEXT AND THEN SUGGESTED
THAT THE MEETING BE CONCLUDED. HE STATED ONCE AGAIN
THAT THE INTERVIEW WAS NOT FOR PUBLICATION, THAT HE HAD
SPOKEN VERY CANDIDLY, AND THT "DEVIOUS TALK, SO DEVIOUS
THAT OTHERS DON'T UNDERSTAND YOU IS VERY TASTELESS."
DEAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 OCT 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PEKING02072
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X3
Errors: N/A
Film Number: D760384-0226
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761057/aaaabxak.tel
Line Count: 1125
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 21
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: 76 PEKING 2050
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 27 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 APR 2004 by ShawDG>; APPROVED <18 AUG 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRANSCRIPT OF MANSFIELD/GLENN TALK WITH VICE PREMIER LI HSIEN-NIEN
TAGS: PFOR, OREP, CH, TW, US, (MANSFIELD, MIKE), (LI HSIEN-NIEN)
To: STATE HONG KONG
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006